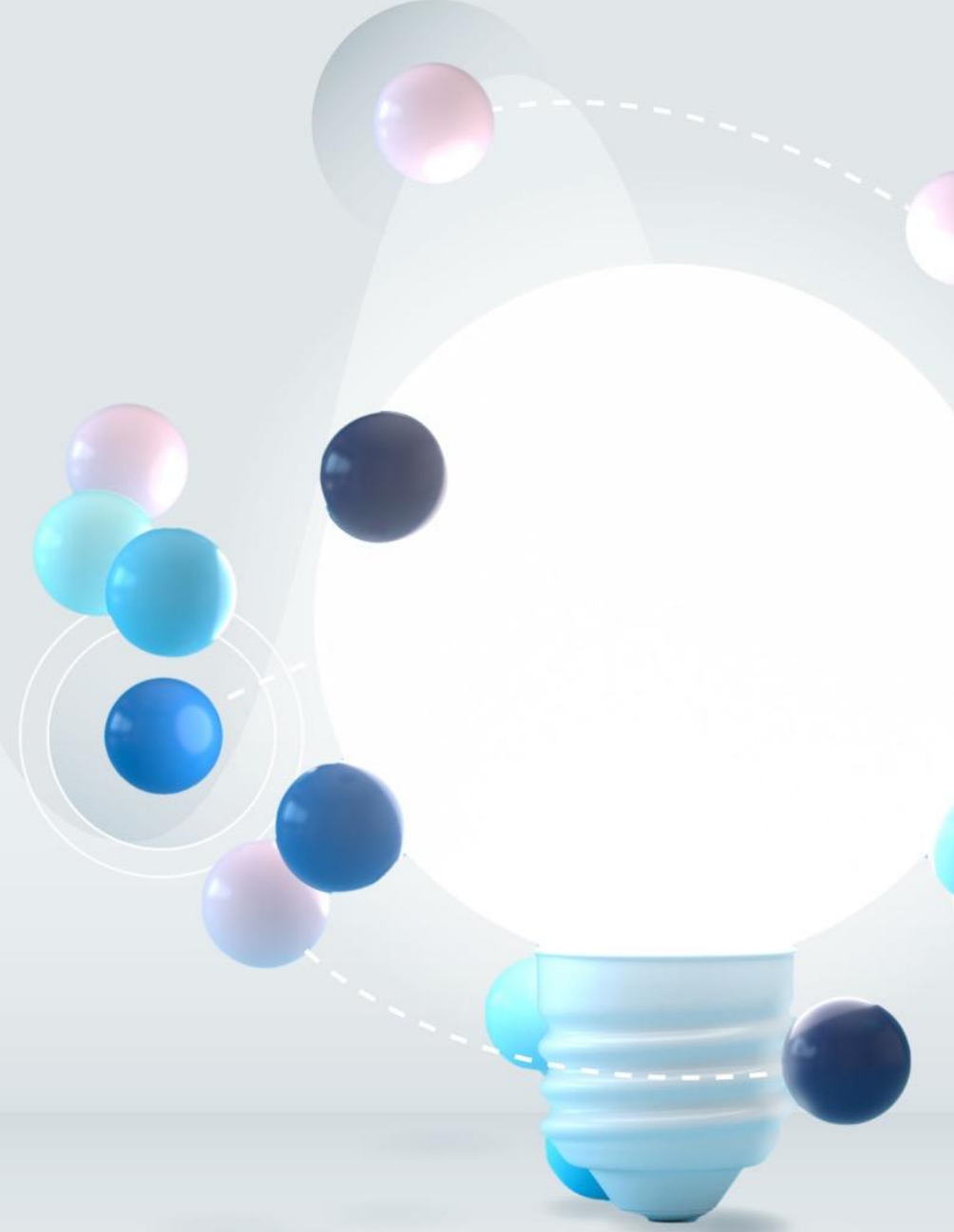


# Retirement Income: Aligning innovation with participant needs

**Chris Bailey**  
Director, Retirement



# About Cerulli

**Cerulli Associates is a research and consulting firm** offering guidance to financial institutions for strategic positioning and new business development. For over 30 years, Cerulli has been the most trusted resource for strategic consulting and custom research, providing clear, actionable outcomes.



## Research Process

### Quantitative

- 50 surveys launched per year
- Proprietary survey panels
- Industry data partnerships

### Qualitative

- 1,000+ executive interviews per year
- Database of 60,000+ industry contacts



## Research Practices



Wealth Management



Retirement



Institutional



Product Development



## Product & Service Offerings

### Cerulli Report

- Foundational sourcebooks and in-depth studies
- 100+ pages, 50+ exhibits
- Interactive Report Dashboards

### Cerulli Edge

- Monthly and quarterly trend analyses
- 7 editions
- 12–24 pages each

### Cerulli Consulting

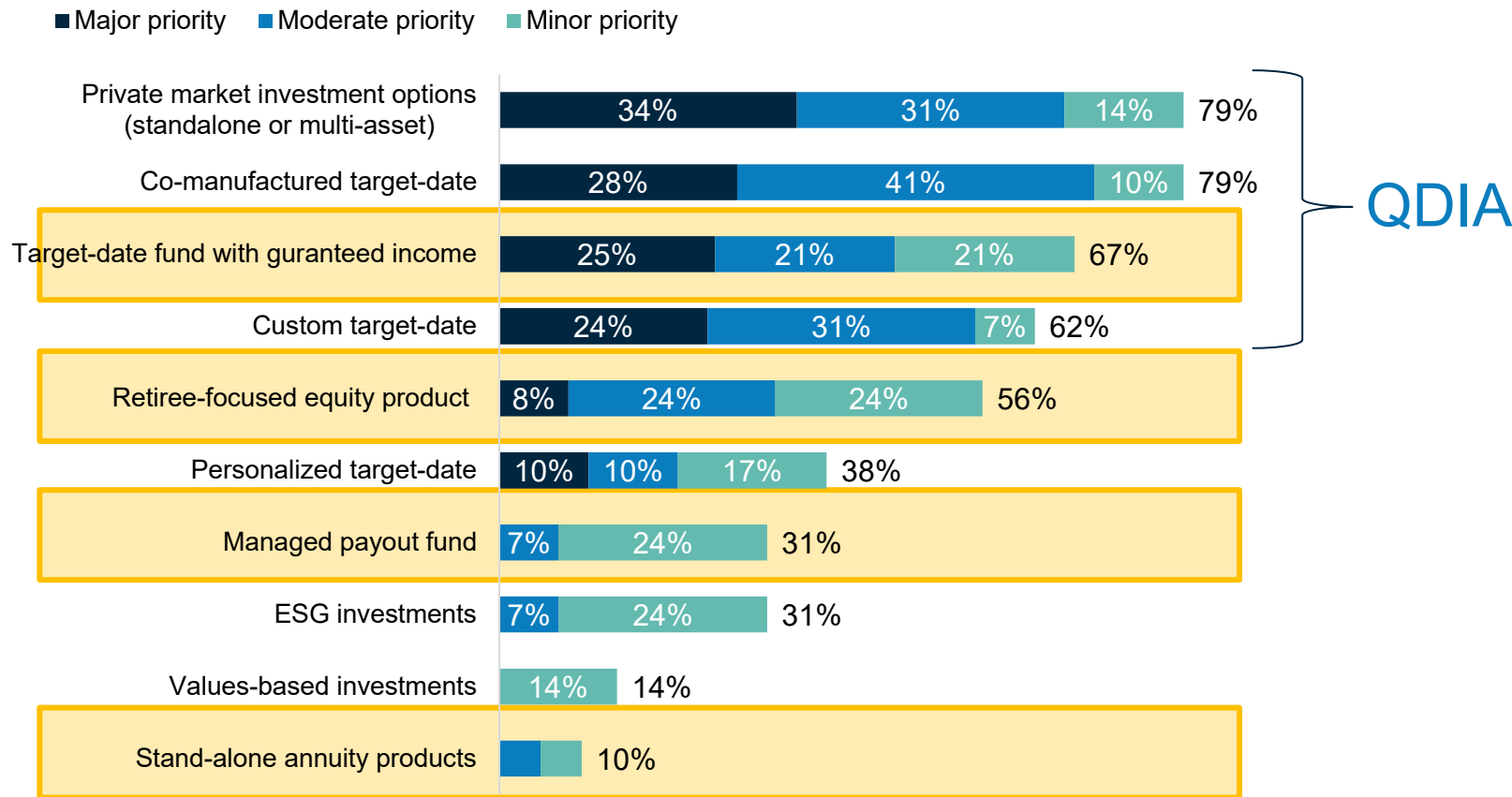
- Product viability analyses
- Distribution strategy development
- Client segmentation and targeting for wealth managers and wealth tech
- Responses to regulatory changes
- Due diligence on specific business models and targets

**Retirement income is the outcome**

# DCIO managers are focused on the coveted and highly competitive QDIA slot in plan lineups

## DCIO Managers:

### Top-5 Strategic Priorities, 2025



**79%**

of 401(k) plans use a target-date product as the plan's QDIA

**65%**

Participant contributions flow into target-date products

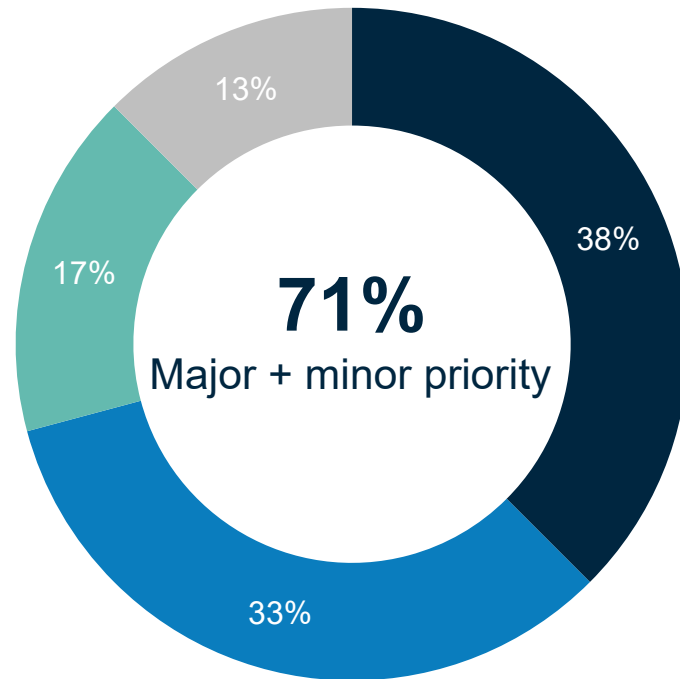
**49%**

of 401(k) assets will be in target-date products by 2030

# While recordkeepers are investing in capabilities to deliver retirement income solutions

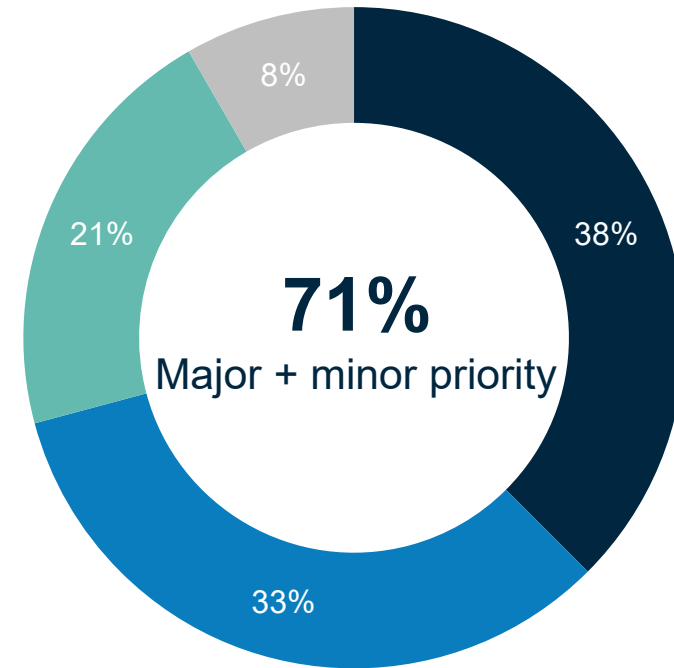
DC Recordkeepers:  
Strategic priorities, 2025

Support for guaranteed income solutions



■ Major priority ■ Moderate priority ■ Minor priority ■ Not a priority

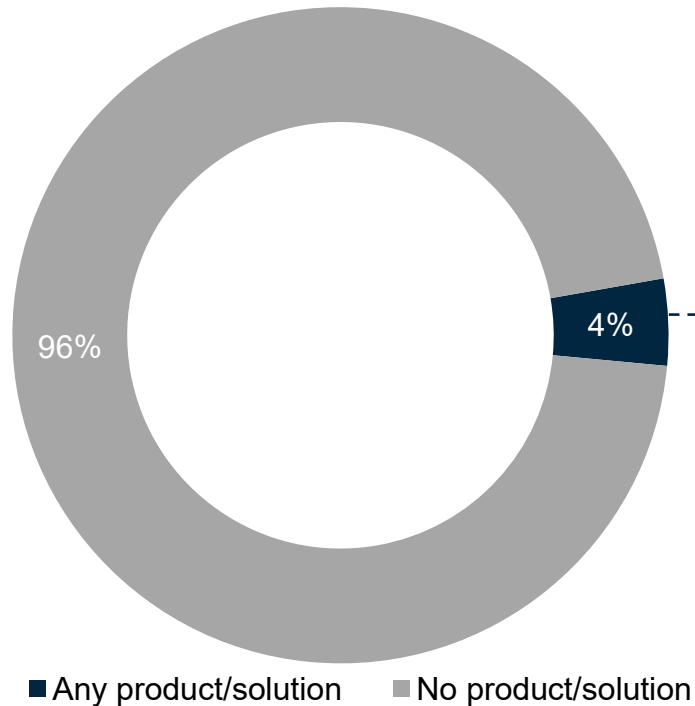
Improving retiree distribution options



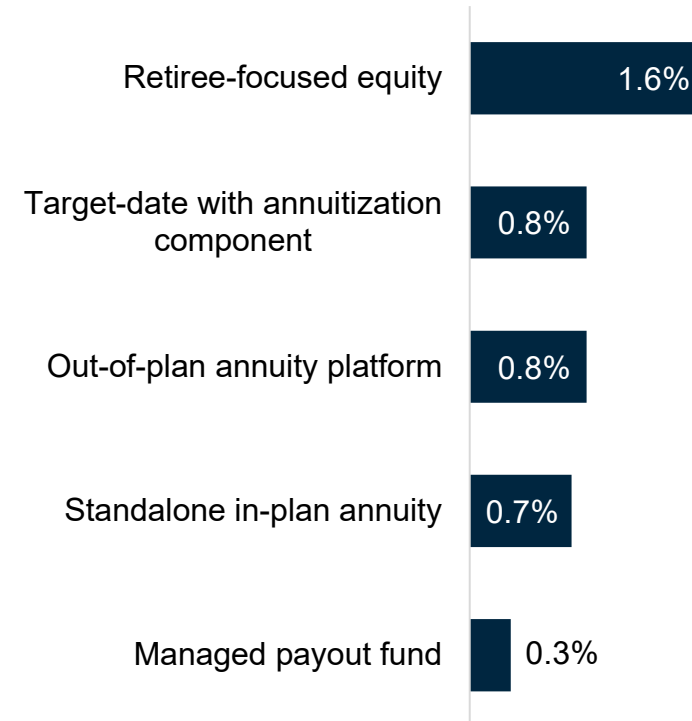
■ Major priority ■ Moderate priority ■ Minor priority ■ Not a priority

# While it is still early days, plan sponsor adoption of retirement income products and solutions is low...

DC Consultants:  
% of plan sponsors w/ any retirement income product, 2025

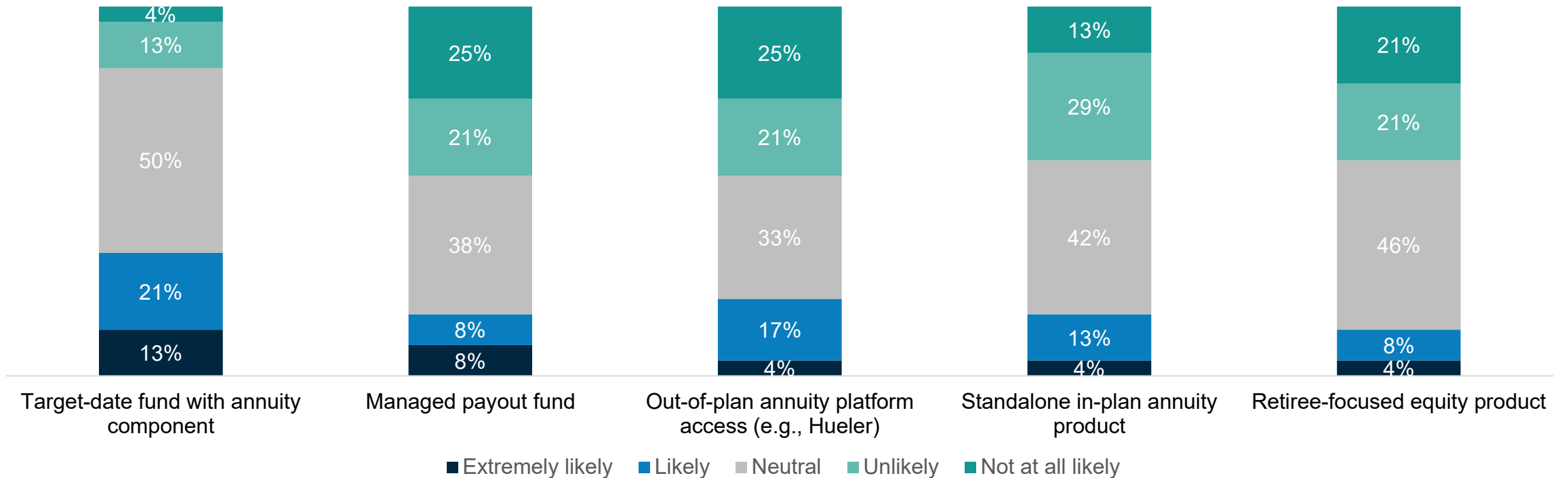


DC Consultants:  
% of plan sponsors retirement income product, 2025



# And while some DC Consultants are open to target-date solutions, the likelihood of recommending other solutions is low

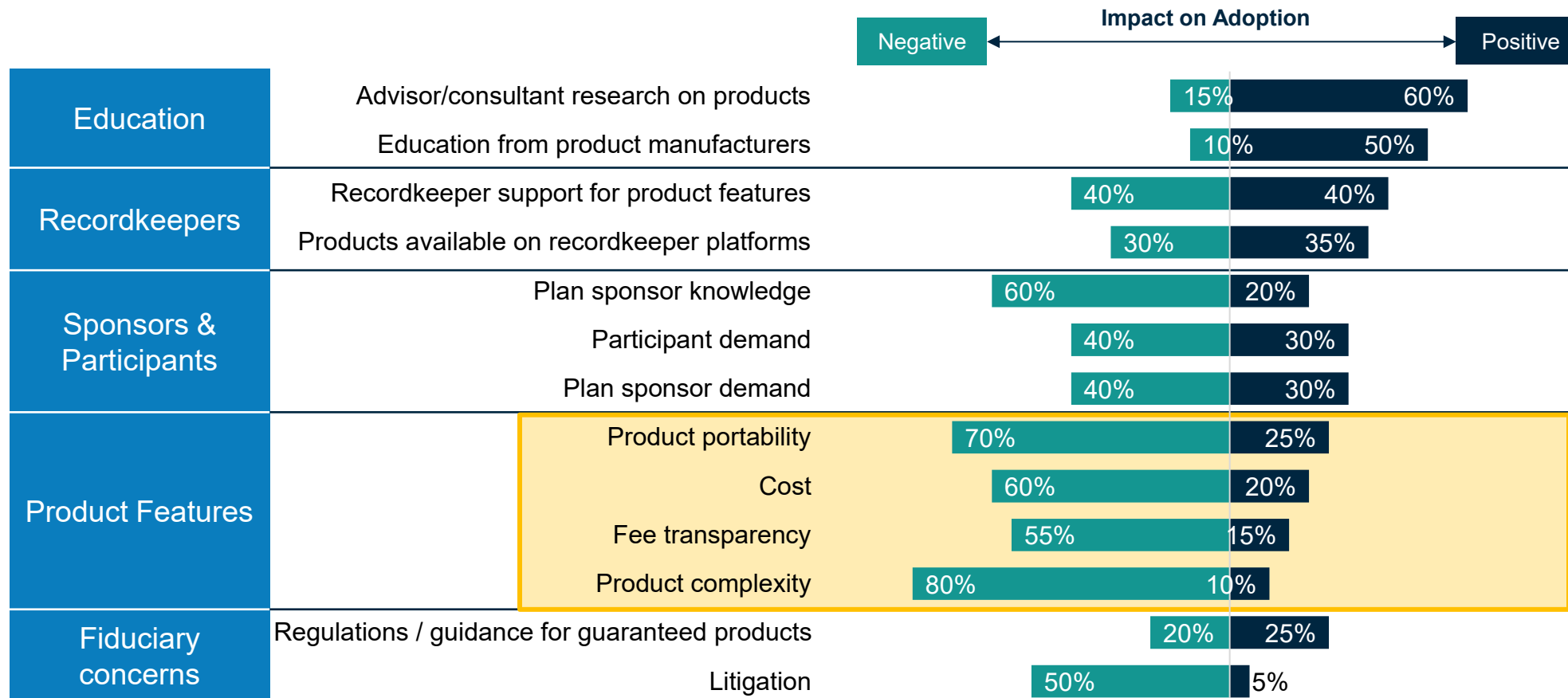
DC Consultants:  
Likelihood of recommending in-plan income solution, 2025



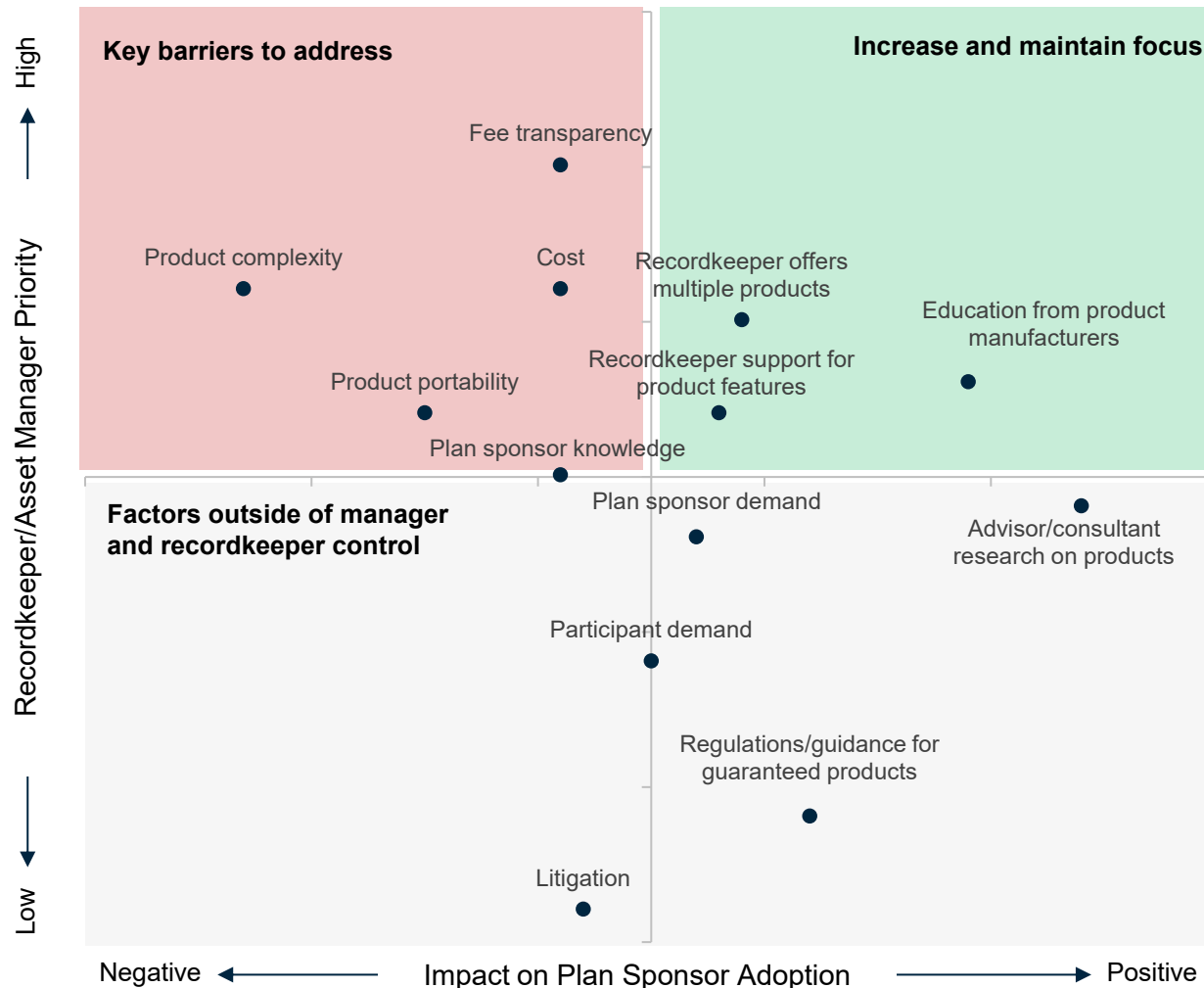
# Perceived (?) complexity and limitations of current products are hindering broader uptake while education is largely viewed as moving the needle

DC Consultants:

## Factors Affecting Adoption of Retirement Income Products, 2025



# Product design and cost are the critical areas for asset managers and recordkeepers to focus on to increase retirement income adoption



**Key barriers to address**  
*Negative impact on adoption, high priority investment*

- All product attributes – complexity, portability, and fees – positioned in this quadrant
- Product complexity a key factors in restraining adoption

**Increase and maintain focus**  
*High positive impact on adoption, high priority investment*

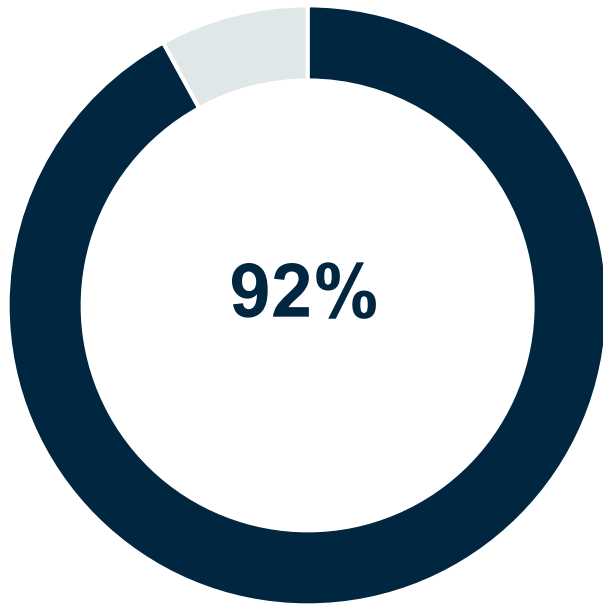
- Product education is having a positive impact, though is a relatively lower priority for improvement compared to product features
- Attention should also be paid increasing the range of options available on recordkeeping platforms



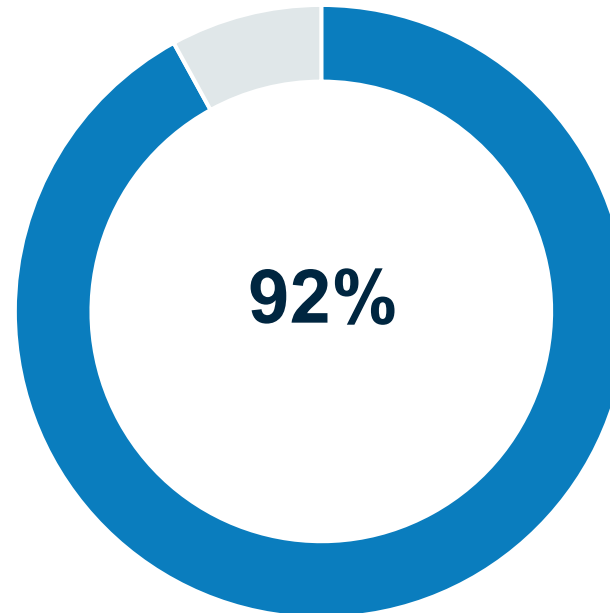
# Quality of life and financial peace of mind are among participants' top priorities

401(k) Participants:  
Major + moderate priority, 2026

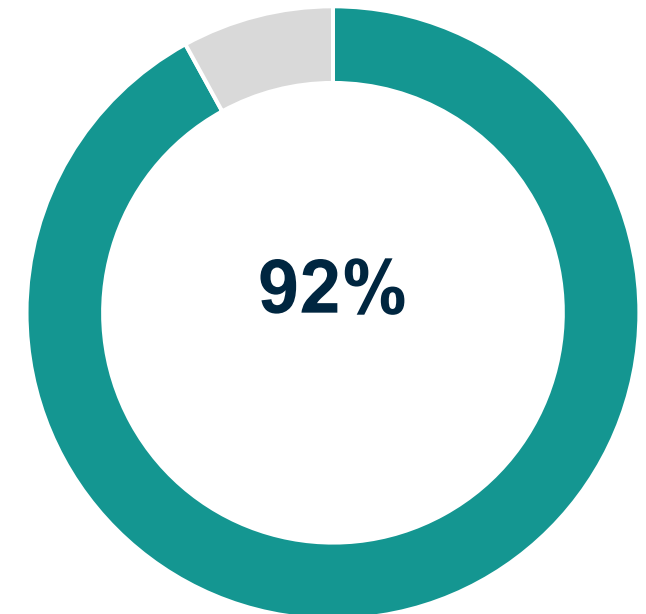
Saving for retirement



Maintaining a good quality of life



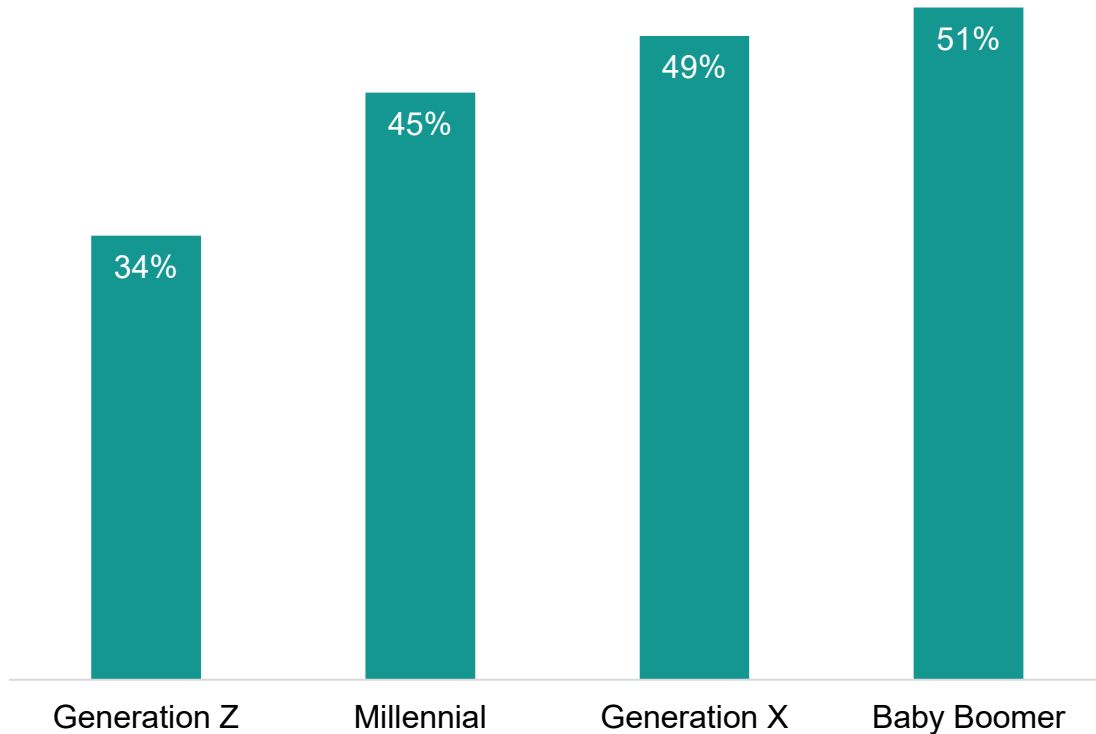
Financial peace of mind



# Participants, especially those close to retirement, are not confident they will maintain their current standard of living in retirement

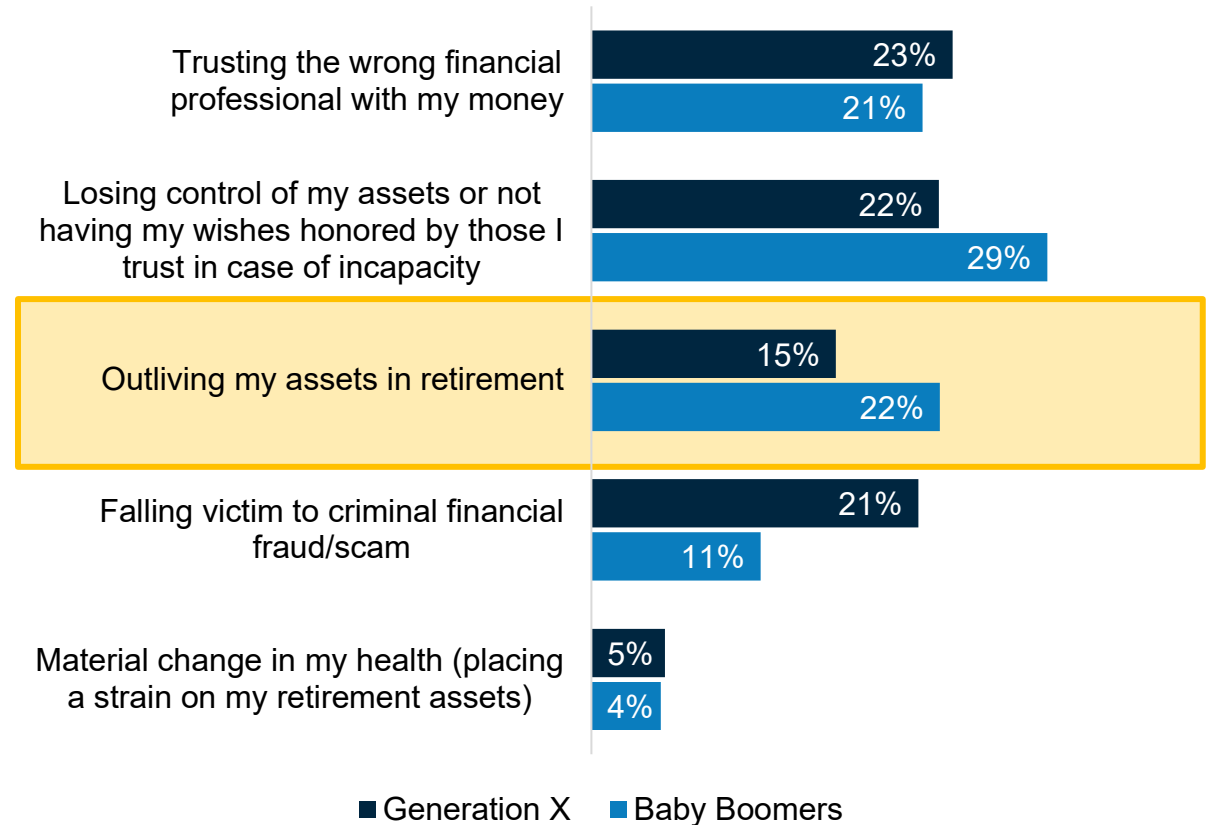
401(k) Participants:

Not confident in maintaining standard of living, 2026



401(k) Participants:

Greatest fear regarding retirement, 2025

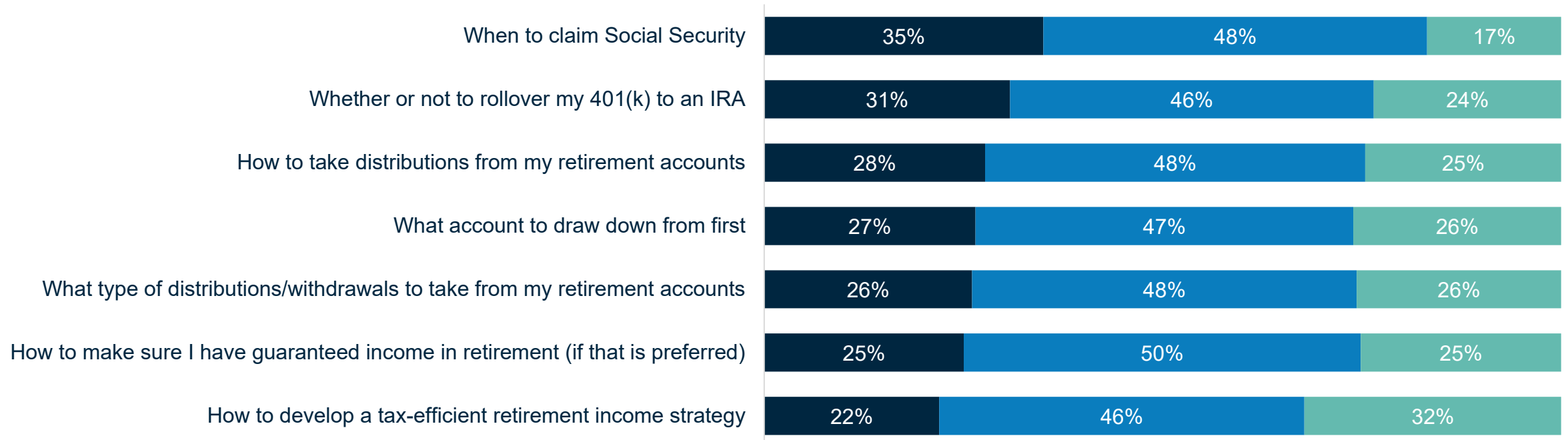


# They also lack confidence in their ability to make decisions about how to make key decisions

Active 401(k) Participants:

## Confidence in independent retirement planning decisions



■ Very confident ■ Somewhat confident ■ Not confident



# Products solve a part of the retirement income challenge – participants need advice and planning to make the most of them

Gen X and Baby Boomer 401(k) Participants:

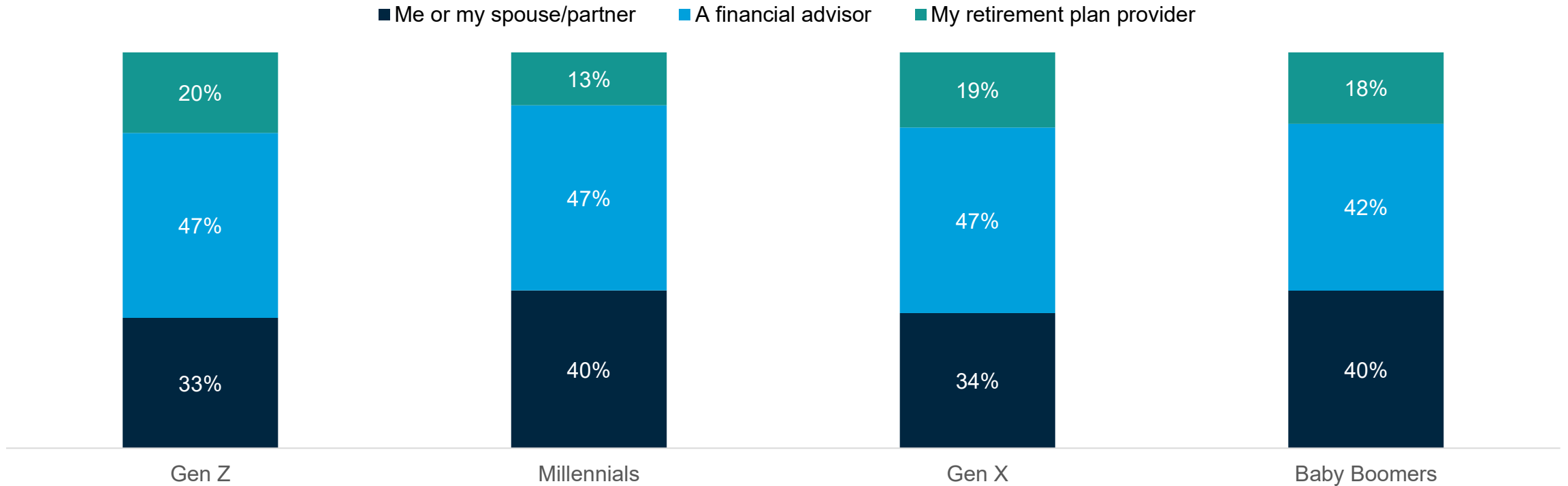
Desired Features of Retirement Income Plans and Products, 2026

	Features	Generation X	Baby Boomers
 <b>Financial Planning and Advice</b>	A plan that is tailored to my personal circumstances and lifestyle expectations	40%	36%
	A plan that details how I will use my accounts to generate income for retirement	35%	34%
	Having an advisor to work with me to manage my account	22%	30%
	Help with managing my expenses and help setting up a detailed budget	23%	14%
 <b>Flexibility</b>	Ability to withdraw money from my accounts whenever I want	46%	48%
	Possibility for my assets to grow even after I begin taking withdrawals	34%	40%
	Ability to change my investments in the future	30%	31%
<b>Products</b>	A guarantee so even if my assets run out, I still receive monthly payments	34%	33%
	Using one financial product that would meet all my retirement spending needs	14%	14%
<b>Other</b>	All of my retirement accounts will be located at one financial institution	22%	22%

# Participants want a say in whether or not all or some of their portfolio is allocated to retirement income

401(k) Participants:

Who should make retirement income decision, 2026



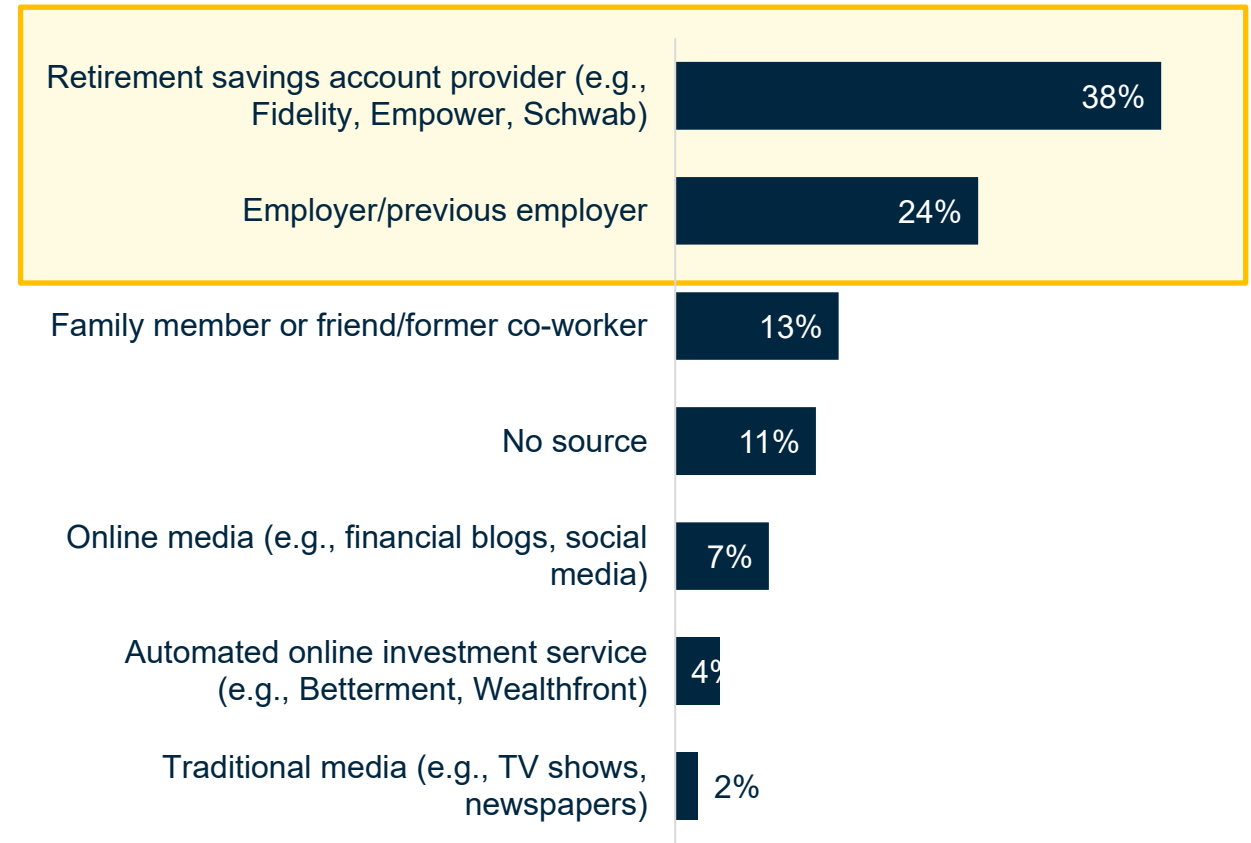
# And most rely on their recordkeeper or employer to obtain help with planning decisions

## Active 401(k) Participants: Advisor relationships, 2025



Perspective on Hiring an Advisor

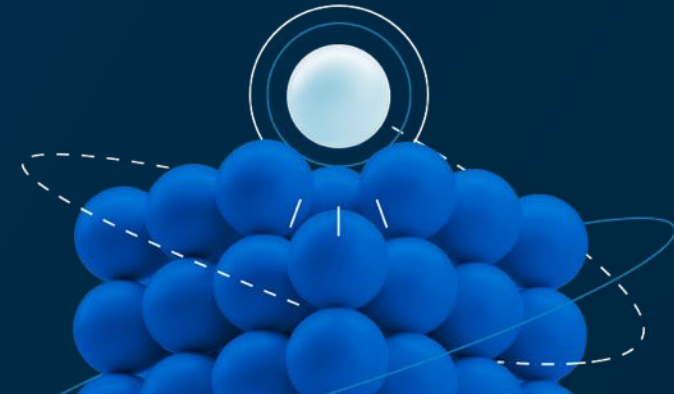
## Active 401(k) Participants w/out Advisor: Primary source of retirement planning and advice, 2025



# Key Takeaways

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- The industry is focused on helping participants make the most of their retirement savings through innovative products and solutions
- Education is needed to drive plan sponsor adoption of retirement income solutions, which may be feeding (mis?)perceptions of fees and product complexity
- Participants lack confidence in their ability to maintain their quality of life in retirement and make key decisions about how to use their savings in retirement
- Plans may need several retirement income solutions in order to meet the needs of different participant segments
- Participants will also need access to advice and planning to help them determine if, how, and when to use income solutions they have access to



# Thank You

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